

Photography tour to Inari: the new product development.

Yulia Volkova

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Author or authors Yulia Volkova	Group or year of entry RBM3, 2009
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<p>The goal of this thesis is to develop a new product for the travel company Fintur Ltd. The demand for a new-product development arises from the Fintur's increasing need to enlarge its product suite. Fintur Ltd. has acted as a commissioning party in this thesis, as it has an interest in the fully developed product.</p> <p>The product idea consists in offering a nature-based tour combined with photography activities for Russian customers. The tour concept strongly corresponds to Fintur's line of activity and company's business mission.</p> <p>The theoretical framework for the photography tour development has two parts. The first one is concerned with the nature-based tourism definition and its importance in Finland. The second part embraces the theoretical base for a new product development, namely nature-based tourism product definition, a new product development process description, as well as e-marketing theory.</p> <p>The practical part of the thesis includes the description of actual product development process for Fintur Ltd. Based on the theoretical framework, the photography tour was analysed from the component point of view, and different product levels were considered. The product development process described in the theoretical part was adjusted according to Fintur' case. As the result the company was provided with the fully developed product including the e-marketing plan for the first period.</p>	
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1 Introduction

The relationships between photography and tourism are various and many-sided. In the photography theory there is subcategory of travel photography involving taking photographs of people, nature, culture in its natural state with no geographical limitations (The Photographic Society of America, 2013). In the tourism theory, there are studies analysing the influence of photography on tourist images of a destination or the role of photographs in the tourism promotion. However, in the tourism literature photography tourism is not considered as an independent type of tourism. Based on the this reason, the photography tour developed in this thesis has been analysed from the point of view of nature-based tourism.

Nature-based tourism is a growing sector of the tourism industry which holds much favour in Finland due to its natural resources. It includes a wide variety of tourism experiences, from skiing to bird watching. The photography tour also falls into the category of nature-based tourism, since it is concentrated on the natural environment of the destination.

The idea of the thesis was generated during the author's internship at Fintur Ltd. The product contents and marketing strategy is determined by the company's activity and requirements.

The thesis consists of two main parts. The first one represents the theoretical framework for the new tourism product development process and the photography tour environment. The photography tour development is based on the component view of tourism product, including both customers' and business's perspectives. The theoretical part also defines the place of photography tour in the field of nature tourism and describes the new product development process based on Kotler's approach.

Moreover, the theoretical part includes definition of e-marketing and main characteristics of e-marketing planning. The second part is the actual new product development for Fintur Ltd. This part includes the step-by-step description of actual product development process, e-marketing plan for the first period as well as financial calculations.

2 Nature-based tourism

In the following chapter the concept of nature-based tourism and its role in the Finnish tourism industry are introduced. Moreover, the chapter includes the overview of nature-based tourism definitions and highlights the differences between nature-based tourism and ecotourism.

2.1 Definition of the nature-based tourism

Many studies have shown that during last years the demand for the nature-based tourism has experienced a considerable growth (Newsome et al., 2002 in Buckley et al., 2004, 7; Hall et al., 2009 in Lundmark and Müller, 2010, 379). In Finland, where the nature represents one of the main tourist attractions, the nature-based tourism has an important role.

Before developing a photography tour, it is important to identify, what does a nature-based tourism actually mean. Although there are many definitions of this form of tourism, there is no one universally accepted. Can any tourism experience, that takes place in nature, be called a nature-based tourism? Lundmark and Müller (2010, 380) state that tourism experiences based on terrain-going vehicles like snowmobiles and motorcycles are not seen as outdoor recreation and thus cannot be considered a nature-based. Mehmetoglu (2007, 201) gives a nature-based tourism the same status as ecotourism. He considers a nature-based tourism through sociological perspective, based on tourists' desire to experience "unspoilt" nature. However, this position is subject to criticism by many scholars. For instance, Lundmark and Müller (2010, 381) insist that a tourists' experience cannot be qualified as nature-based if their motivation is mainly social. Goodwin (1996, 287) asserts that nature-based tourism encompasses many forms of tourism, including ecotourism, which use natural resources in a wild or undeveloped form. Arnegger et al., (2010, 920) also agree that the term ecotourism is too narrow to describe tourism experience in natural environment, and state that nature-based tourism represents the broader concept than ecotourism. Hall (2009, in Lundmark and Müller, 2010) defines nature-based tourism as "all tourism that takes place in areas rich in natural amenities as well as activities connected to nature, including related

concepts such as wilderness tourism, ecotourism and adventure tourism". Notzke (1999, in Lundmark and Müller, 2010) also mentions indigenous tourism as a form of nature-based tourism, that combines both nature and culture tourism.

The current study derives from the definition given by the last mentioned scholars. Thus, in this thesis nature-based tourism is defined as type of tourism that involves a wide range of activities with the focus on natural and cultural environment of a destination. Besides such forms of tourism as ecotourism, adventure tourism, wilderness tourism and etc., photography tours proposed in the study is considered as a form of nature-based tourism.

2.2 Nature-based tourism in Finland

Nature-based tourism is often considered to be one of the most rapidly growing sector of the tourism industry. This also applies to inbound tourism in Finland, as it is predominantly oriented towards nature. According to the Finnish Tourist Board (2010, 14), untouched and clean nature has always been considered the strength of Finland's inbound tourism. Finland is known worldwide for its forests and lakes. Many researchers insists that foreign visitors consider nature as the most important reason for choosing Finland as their travel destination (e.g. Rinne and Saastamoinen, 2005, in Lundmark and Müller, 2010, 382). Indeed, about a tenth of Finland's territory is covered by inland waters, and forests occupy about three quarters of the total Finland's area. Besides, in Finland there are 35 national parks, constituting a total of about 8,850 km²., which also are of high tourists' interest. Therefore, Finnish nature offers various opportunities for nature-based tourist activities, such as, for instance, bird-watching, walking tours, dog sled safaris, canoeing in the archipelago, and many others.

Thus, these motives justify the idea of developing a nature-based tour to Finland.

3 Developing product in tourism

Understanding the tourism product is the essential condition for effective new product development. Product development, by turn, is a prerequisite for divining tourists' demand and ensuring stable profitability of a business. The following chapter considers three definitions of tourism product, as well as product typology for nature-based tours. The chapter also includes the theoretical background for product development process and e-marketing planning.

3.1 Definition of the tourism product

Many scholars note that the tourism product has a complex nature that is it represents a mix of several components. For example, Koutoulas (2004, 5) considers tourism product as a combination of all the elements, which a tourist consumes during his/her trip. Koutoulas states that components of the product complement each other. At the same time the author highlights the functional role of all components and classifies them as integral products (such as hotel accommodation, transport services, attractions, etc.), "free" or "public" goods that could be used free of charge (for example, climate and landscape), and complementary services, that cannot be sold independently on the market.

Smith (1994, 582) proposed to study a generic nature of tourism product. The author highlights the role of human experience in the tourism product and distinguishes five elements forming the structure of the product. These five elements are: physical plant, service, hospitality, freedom of choice, and involvement (figure 1).

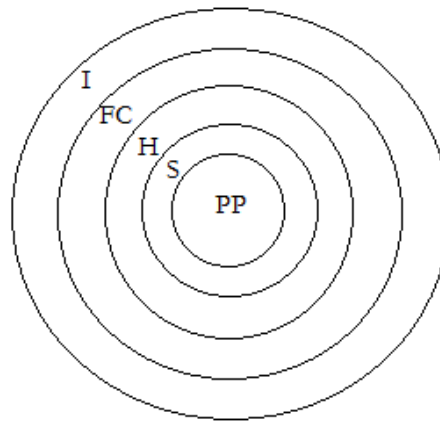


Figure 1. The generic tourism product (Smith 1994, 587)

The heart of every tourism product is the physical plant (PP). It refers to a site, natural or cultural resource, or facility. A hotel or a cruise ship can be considered as the physical plant, too. The physical plant also includes weather, water quality, and infrastructure of a destination. The quality of the physical plant depends on whether it enriches tourists' experience and saves the environment. The physical plant needs the input of services (S), that is, the performance of specific tasks necessary for tourists. But the service itself is insufficient. Tourists always want to get something extra - that is hospitality (H). Hospitality is considered as attitude or style in which the task is performed (Smith 1994, 588). Freedom of choice (FC) means that a customer has some degree of freedom of choice in order to get a favourable experience. And the last element, involvement (I) implies customer's participation for some extent in service delivery.

According to Smith (1994, 588), the importance of each element depends on the specific type of the product, but all tourism products include all elements. The success of the product on the market is determined how effectively each component is planned and how well it correlates with others. The successful tourism product is not just combination of all elements, but the result of interconnection among them.

Middleton et al. (2009, 120) also state that the product in tourism has a multi-component nature and covers the complete experience from the time tourist leaves home to the time he returns to it. They understand tourism product as a bundle of components combined to satisfy tourists' needs. Authors also propose to distinct two

different dimensions of tourism product - the overall view and that of individual service business. The overall view implies the horizontal dimension of a product. It includes a certain number of components forming the total tourist experience. The service business view, on the contrary, represents the vertical dimension of specific service operations. In this dimension tourism product implies a specific service arranged around the concrete needs and wants of the target audience.

From the point of view of a potential customer, the product represents a package of tangible and intangible elements, based on a destination's activities. Customers perceive the product as a total experience for a specific price. That is, the overall tourism product includes five main components:

- destination attraction and environment. This component determines customers' choice of the destination and their motivation. It includes natural, built, cultural and social attractions.
- destination facilities and services. These components include all the elements needed to make a destination comfortable for visitors - accommodation units, restaurants, sport/activity/interest facilities, transports and other services.
- accessibility of the destination. That is transport aspects of the products which influence the cost and convenience of the destination.
- images of the destination. An image of a destination that potential visitors have in their mind is a crucial component of tourism product as it has a strong influence on customers' buying behaviour.
- price to the consumer. Any tourism product carries a price which may consists of different components. Price is considered to be an aspect of destination image, too.

It should be noted here, that the overall tourism product is usually managed by different companies operating in a destination; therefore, in spite of the fact that product components are interdependent, they aren't in automatic harmony. Thus, the horizontal product dimension puts in the forefront customers' total experience of a trip. Although, the dimension is more suitable for local and national destination management

companies, it is relevant for individual businesses' marketing decisions, too, as they widely use networking and product collaboration in their product delivery processes.

However, the more important issue for individual businesses is the vertical product dimension. This dimension implies 3 product levels, which are typical for any service industry and are widely used in marketing (Kotler 1984, in Middleton 2009, 128): core product (the essential benefit, that a customer gain from the product), formal or tangible product (specific offer that a customer receives for his money) and augmented product (forms of added value which make the product more attractive that competitors' one) (figure 2).

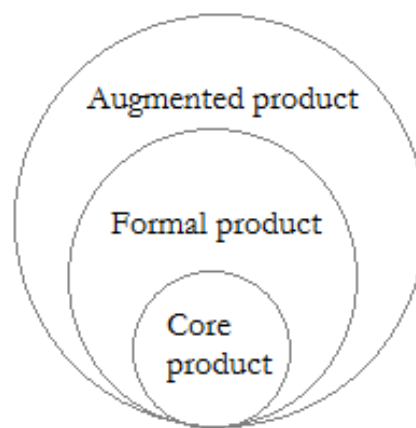


Figure 2. Product levels.

It should be added, that while core product is the key idea of the product itself, formal product turns the core t into a concrete market offer. At the same time, formal product includes the facilitating products, the services and goods that are offered for customers in order to use the core product as well as some supporting products. Augmented product is some form of added value which make the final product more attractive than the competitor's one (Middleton 2009, 128).

Thus, tourism products can be seen as a whole set of benefits that accord with customers' interests. When a new product is developed, the core customer value should be identified first, then the actual product is planned and, finally, the augmented value is created in order to offer the best customer experience.

In this thesis Middleton's concept is considered as a main framework, because it represents the most detailed view of the tourism product.

3.2 Product-based typology for nature-based tourism

Arnegger et al. (2010, 923) suggest the classification of the nature-based tourism product based on nature orientation of tourism product types and service arrangement categories (figure 3):

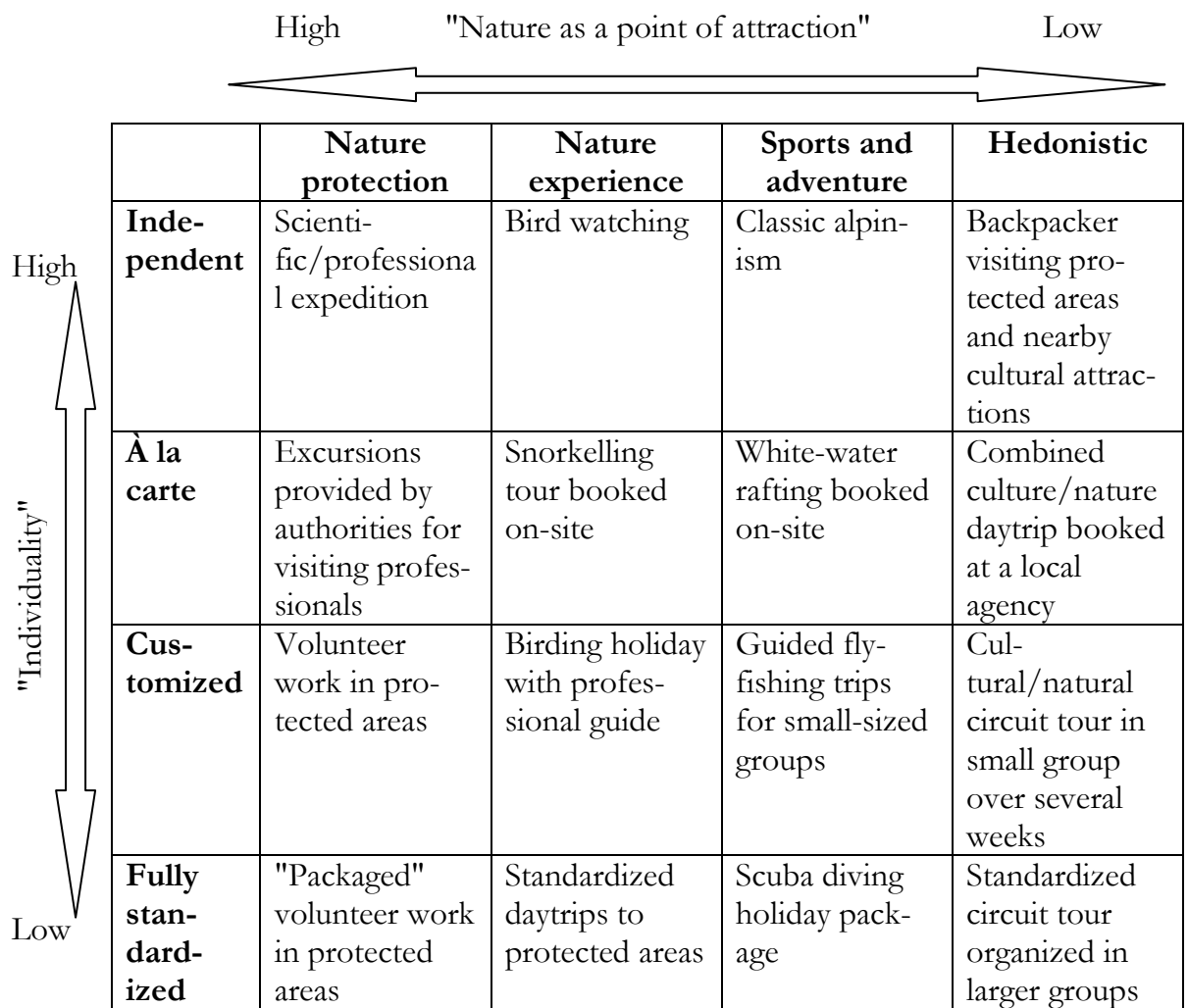


Figure 3. Nature-based tourism product typology (with typical examples)

According to this typology, 16 different nature-based tourism products can be distinguished. Products are differentiated using a two-dimensional matrix. The first dimension assigns products depending on tourists travel motivations with respect to the importance of nature as an essential attraction. The second dimension is more supply-side oriented, and it names different types of service arrangements using by consumers. Depending on tourists' motivation, Arnegger et al. (2010, 293) distinguish four types of nature-based tours: nature protection, nature experience, sports and adventure, and hedonistic product. Nature protection products imply personal involvement and participation in nature conservation measures. Nature experience type includes mainly observational activities in nature, without any nature protection activities. Sports and adventure nature-based tourism uses natural environment as an essential background for its' activities. And finally, hedonistic category involves nature only as a part of tourism experience. That is, hedonistic nature-based type can include historical, cultural or ethnological elements or visit to a protected area as an addition to the main program.

The second dimension, according to Arnegger et al. (2010, 294) characterizes nature-based tourism products depending on the degree of individuality inherent in service arrangements, that is, the degree of individuality during the travel package's booking process. The first category, independent service arrangements, has a high degree of flexibility. Tours of this category are usually booked spontaneously, and tours details can be changed upon arrival at the destination. À la carte service arrangement category can be described as a by-product of longer tours. It means that à la carte nature-based products are booked as a supplement during the main trip. Customized nature-based products are types of tourism products that are exactly planned in advance by a tourism professionals taking into account tourists' needs and wants. The last category, fully standardized tours, is typical for larger groups of tourists. These trips are fully arranged by travel agents in cooperation with local service providers. Often tourists can choose from a variety of complementary options such as daytrips or guided tours, but spontaneous changes are not possible.

Based on the company-customer's requirements, Arnegger's model is used in this paper. This model helps to identify which product type satisfies best the company's needs, and formulate the future product details.

3.3 New product development process

In this thesis the new product development process is based on Kotler's concept for finding and growing new products. The concept provides for eight steps:

- idea generation
- idea screening
- concept development and testing
- marketing strategy development
- business analysis
- product development
- test marketing
- commercialization (figure 4).

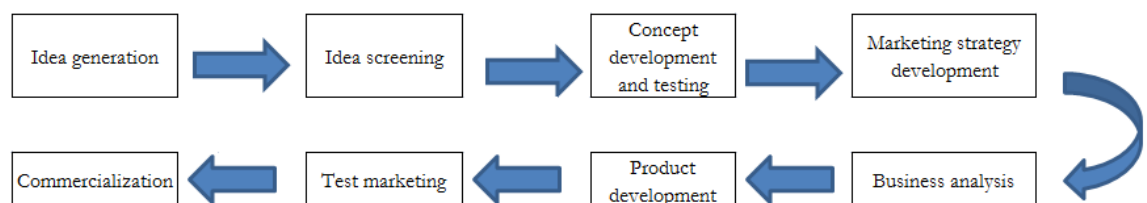


Figure 4. Stages in new product development (Kotler, 2012).

The new product development process starts with idea generation - the continual search for new-product opportunities. A successfully developing company generates plenty of new-product ideas, but only really good ones are implemented. New-product ideas arise from internal (employees) and external sources (customers, competitor, suppliers, etc.). The stage of idea screening selects successful ideas which could be turned into profitable products. Then a selected idea should be developed into a product concept and tested with groups of target customers. Based on the product concept marketing strategy is planned. The strategy has 3 main parts - the first one describes

target market, product positioning and differentiation, and sales volume for the first years; the second part finds out product's planned price, distribution and marketing budget; and the last part concentrates on planned long-run sales and profit goals. The stage of business analysis involves a review of the new-product's expected sales and profit in order to decide whether they correspond with company's plans. If the product concept satisfies these plans, it is developing into a real product (product development stage). Next stage is the test marketing, the stage at which the product and its entire marketing program are tentatively introduced into the real market. This stage needs a big investment while risks are high, therefore many companies often skip this step. The final stage in the product development process is commercialization, which is launching the new product. Before it, a company should decide on the most favourable time of introduction as well as where, in which market, to launch the product.

The chosen approach implies holistic and systematic view of new-product development process. It is not just generating new ideas and making them come true, but the permanent process of creating new valued experiences for customers. Successful new product development requires the high level of commitment of a whole company, when initiatives and innovation are supported and encouraged (Kotler, 2012, 296).

3.4 Making e-marketing plan

Marketing planning is no more than a logical thought process in which all businesses engage to some extent (Middleton et al., 2009, 206). For a new product a marketing plan is necessary because it supports the successful product introduction to the market. Namely, as Middleton et al. (2009, 206) found out, marketing planning focuses management attention on product's profitability, helps to effectively allocate resources, and also schedules and coordinates different marketing actions.

Based on the company-customer resources, it was decided to develop an e-marketing plan for the new product.

E-marketing includes efforts to market products and services and build customer relationships over the Internet (Kotler, 2012, 532). According to Google (2011, 4), 94% of

consumers research products online before buying. Companies that have websites and do marketing online can easily reach these customers.

Middleton et al. (2009, 261) consider a company's web-page as the centre of the marketing communication mix. That is, website is not only a source of information and a kind of online advertisement, but a way to place an order and make a payment. In addition, website fulfils the process of product distribution by providing booking confirmations or vouchers. The communication element is also included - using online media it's possible to reach potential customers and establish a lasting relationship.

Moreover, as compared with traditional marketing, e-marketing has several advantages (University of Hertfordshire, 2005, 2). Particularly, it costs less, which is the important factor for the company-customer. Other e-marketing benefits are:

- global reach - possibility to reach anyone, anywhere in the world
- measurable results - the majority of e-marketing tools provide detailed information about customers' responses to an advertising
- personalisation - online technologies give the possibility to make marketing more individual
- 24-hours marketing - Internet allows to reach customers over the entire 24-hours period.

According to Kotler (2012, 537), there are four ways to conduct an e-marketing:

- creating a Web-site. A Web-site should be attractive and have a clear structure in order to stimulate customers to visit the site and come back again. Moreover, the information should be relevant and up to date.
- placing advertisements and promotions online. Online advertising includes contextual advertising, display advertising and online classifieds.
- participating in social networks (Facebook, YouTube, Twitter, etc.)
- using e-mails.

The main stages of the e-marketing plan are (University of Hertfordshire, 2005, 3):

- identifying target market
- setting objectives
- deciding upon the marketing mix
- agreeing a budget
- action planning
- measuring success

Taking into consideration the company-customer resources, as well as basing on the taken theory, the e-marketing plan for the new product will be worked out in this paper.

4 Product environment

The following chapter describes Finnish Lapland from the point of view of the new product environment. It also introduces Fintur Ltd. as a beneficiary party of the developing product and briefly reports the reasons of choosing the photography tour concept for the company.

4.1 Finnish Lapland: Inari as a destination

Lapland is the northernmost province of Finland neighbouring with Sweden, Norway and Russia. Lapland as a tourism destination provides visitors diverse travel experience all year round. According to the Regional Council of Lapland, it has 8 seasons - deep winter, late winter, spring, early summer, late summer, autumn and early winter, - and each of them has its own activities. Lapland is divided into several tourist areas. Fell Lapland includes the regions of Levi, Ylläs, Olos, Enontekiö-Kilpisjärvi and Pallas. The North Lapland district has Saariselkä resort in Inari, and the East Lapland consists of Pyhä-Luosto, Suomu, Kemijärvi, Salla and Posio regions. South Lapland comprises of the Tornionjoki River Valley and Sea Lapland. Each district offers meaningful experience of Lappish nature and culture.

4.1.1 Tourism in Finnish Lapland

The current tourism strategy for Lapland for the next 4 years is updated during 2010 (The Regional Council of Lapland 2011). The strategy aims to make Lapland the leading European destination in nature and experience tourism in 2020. Clean and unique nature of Lapland plays a crucial role in the tourism experiences of the destination. Nature amazingly changes in the course of year, increasing possibilities for tourists. Lappish nature has been always protected particularly carefully. Nowadays protected areas of Lapland are used for tourism purposes in a sustainable way. There are eight national parks in Lapland, including the biggest park of Finland - Lemmenjoki National Park (2850 m²). They are valuable and conserved natural attractions where the richness of nature is emphasised. The most well-known water attractions are Lake Inari and Kemijoki river, the longest river of Finland.

Tourism in Lapland has been developing since 1990's. In the course of this time, the total number of tourist has increased twice and it continues to grow by about 5% annually (The Regional Council of Lapland 2011). During 2012 (January-November) the total registered overnight stays in Lapland were 2 095 060, while during the same period of 2011 this amount was 4,7% less (figure 4).

In so doing, the number of overnights stays is continually increasing. However, the number of domestic tourists is much higher than the number of international travellers (figure 5).

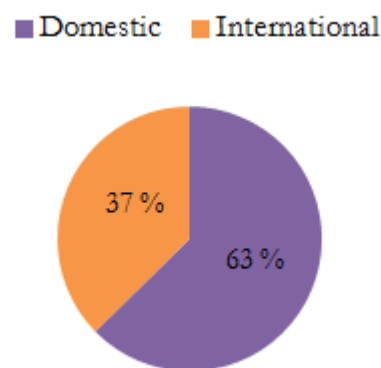


Figure 5. Domestic vs. International market share in 2012 (The Regional Council of Lapland, 2012).

This situation creates opportunities for offering new services for international visitors and further Lapland's promotion on international markets.

Concerning the place of residence of tourists visiting Lapland, Russia represents one of the largest foreign markets, along with Germany, France and Great Britain. These countries have been the main tourism market areas for Lapland for a long time (Lapland's Tourism Strategy 2011 – 2014, The Regional Council of Lapland, 2010). During the past year, the number of Russian tourists in Lapland has increased significantly (figure 6).

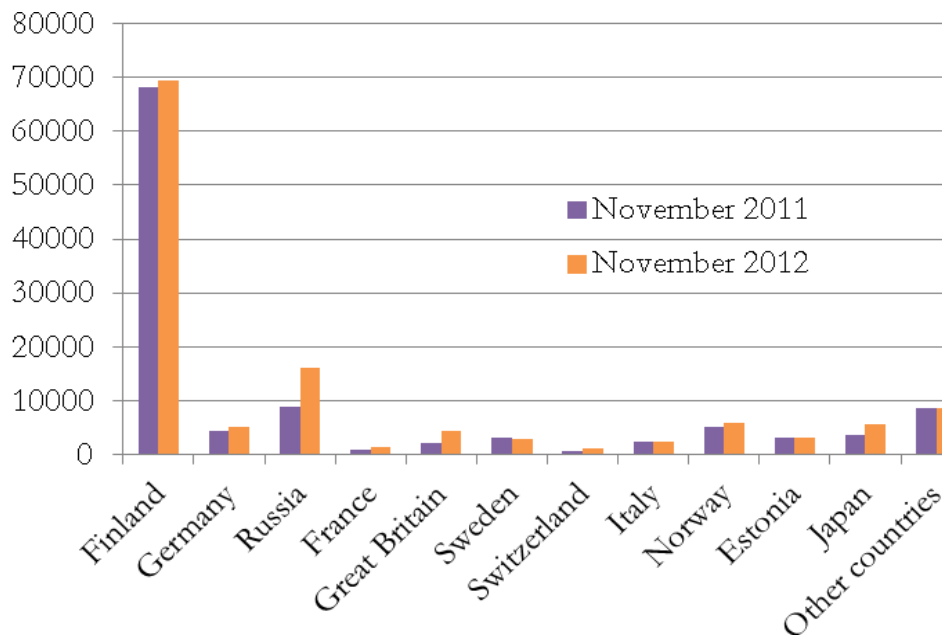


Figure 6. Overnights in Lapland by country of residence (The Regional Council of Lapland, 2012).

As the figure 6 illustrates, the number of Russian tourists compared with other countries has grown the most. The growing Russian market in Lapland calls for new initiatives in the tourism field.

Strong seasonality is a characteristic feature of tourism in Finnish Lapland. The greatest tourists visits falls on March and Christmas time, however, summer tourism has also been developing in a positive way. At the same time, during the spring and autumn the number of visitors was quite low, what gives scope for further tourism development (figure 7).



Figure 7. Seasonality in Lapland 2009-2012 (The Regional Council of Lapland, 2012).

Consequently, the most important development directions in Lapland's tourism should be connected with developing year-round tourism activity. According to the Lapland's Tourism Strategy 2011 – 2014, Lapland's tourism needs a third season - the summer - in order to complement its strong Christmas and winter seasons. One of possible ways to promote year-round tourism is to develop nature tourism themes to attract international visitors. The new product considered in this paper would support the achievement of the goal.

4.1.2 Inari as a tourist destination

Municipality of Inari is the largest in Finland. It has a territory of 17,321 km², of which 2,148 km² is covered by water. The population of Inari is around 7000, of which about one-third are Sámi, the indigenous people of Lapland (Inari municipality 2013). From

tourist point of view Inari has various attractions mainly related to nature and culture of the region.

The nature of Inari represents one of the wildest places in the world. Extraordinary natural phenomenon such as the nightless night in summer, autumn leaf colour, Northern lights in winter and awakening of powerful nature in the spring, are often self-sufficient tourist attractions, and work as pull-factors to visit the destination. Lemmenjoki and Urho Kekkonen national parks situated in Inari, as well as Inari lake attract nature-driven visitors. Additionally, Inari offers diverse adventure activities, for example, downhill and cross-country skiing, husky and reindeer safari, boating and canoeing, and etc.

From the cultural point of view, Inari has a lot to offer to its visitors. Inari is the centre of Sámi indigenous culture in Finland. The Siida Sámi Museum and the Northern Lapland Nature Centre show tourists traditions and lifestyle of Sámi people. The centre is one of the most visited nature centres in Finland (The Regional Council of Lapland 2011).

Therefore, Inari is an ideal place for all types of nature-based tourists. Culture and nature of the region are closely interwoven with each other creating numerous opportunities for tourism products development.

4.2 Fintur Ltd.: company presentation

4.2.1 Company's profile and activity

Fintur Ltd. is a small-sized travel agency located in Helsinki. The company was founded in 2005. Fintur positions itself as a destination management company and a tour operator, offering a variety of tourist products to different target audiences. The main destination is Finland, but the company also arranges tours to Scandinavia and Baltic countries, as well as to Russia.

Fintur makes travel arrangements for all kinds of leisure groups, coach tours, and tours of special interest. The company provides a full range of tourism service including accommodation, transfers, entertainment programs and etc.

The target audience includes corporate and leisure tourists with middle- and high level of income, both individual and groups.

4.2.2 Company's typical product

The company's typical products can be divided into individual and group products. As the product developing in this paper is designed for groups, only the typical group product is considered.

The typical group product is the 2-days tour to Helsinki for a group of 20 people. The tour includes:

- accommodation in 4-5 stars hotel;
- guided city tour around Helsinki (2 hours by bus)
- guided tour to Suomenlinna sea fortress (1,5 hour)
- dinner in a restaurant with the theme program;
- transfers to/from the hotel.

4.2.3 Company's product requirements

The company has the following requirements concerning the product:

- the product should correspond to the company's business activity and should be planned considering the company's size, resources, as well as company's business goals and company's mission;
- the product should be made for the company's target customers;
- the product development plan should be delivered to the company not later than till the end of summer 2013;
- the product development plan cannot be delivered to any other travel company;

4.3 New-product development for Fintur Ltd.: process description

The new product development for Fintur Ltd. is conditional on the company's decision to focus its activity on group packaged tours offered for Russian customers. During previous years of its operation Fintur has been offering a wide range of travel services in Finland, Scandinavia and Baltic countries, but in order to get more success on the market, the management resolved to point its forces at one type of travel products, particularly at group tours. At the same time it was decided to expand the range of products of the certain type. Therefore, together with photography tour several other products for different target groups were developed.

Group tours were chosen as a main direction because, according to the company management, they are more beneficial than individual and at the same time require less resources. The theme for the new group tour was chosen based on the analysis of travel services for Russian customers sold in Finland as well as on the travel offers to Finland available on the Russian market (see more in paragraph 7.3.). Therefore, the photography tour product was developed taking in consideration the company's requirements and wishes.

5 Photography tour product description

5.1 Product idea

The product idea consists in offering a nature-based tour combined with photography activities for Fintur Ltd. The developing tour strongly corresponds to Fintur's line of activity and company's business mission. The need for the new-product development arises from the Fintur's increasing need to enlarge its product suite and attract new customers.

In addition, because the main destination of Fintur Ltd. is Finland, the company has developed solid networks with local service providers, particularly in Lapland. Strong cooperation with partners in Lapland is the one of main reasons to develop the tour to this region. The developing product is beneficial for Fintur Ltd., as it doesn't provide for heavy expenses. At the same time is advantageous for Lapland as a tourist destination, as it could attract there more tourists during the low season.

The photography tour is meant for those tourists who are interested in travelling with the main goal of taking high quality pictures. It could be people with the minimum photography skills as well as professional photographers. The compulsory condition is a good camera with manual setting or a professional camera. During the tour all the participants will be guided by a professional photographer and will be given useful hints about taking pictures in Lapland.

Therefore, by the Arnegger's classification the nature-based tour developed in this paper can be ranked as hedonistic type of nature-based tourism product. It includes nature only as a part of tourist experience (though the crucial one), combining it with cultural elements. From the point of view of service arrangements the photography tour refers to customized type. For Russian customers this type of tourism product is the most appropriate as it is planned in advance by a tour organizer, but still is quite flexible depending on the tourists' wishes.

5.2 Market and competitors analysis

Although Finland is a quite popular destination among Russian customers, on the Russian market there are only few photography tour offers to Finland. At the moment, two similar trips are offered - one tour organized by a photography school, located in Moscow, and the second one organized by a private photographer under the "World available" project. The main difference of these trips from the photography tour developed in this paper is that these tours are concentrated more on teaching photography than on sightseeing. They are targeted towards photography beginners who want to improve their skills, and at the same time are not suitable for those who only start being interested in photography (table 1).

Table 1. Photography tour offers.

Photography tour offers	Number of participants	Number of days	Destination	Sightseeing	Price
Tour by "Zoom" school	5 persons	7 days	Finland, Helsinki region	-	1050 €
Tour by "World available" project	2-4 persons	8 days	Finland, Sweden, Norway	Snow castle, Ice hotel, Santa Claus village	From 4000 €
Photography tour to Finnish Lapland	10 persons	4 days	Finland, Inari	Inari village, Siida Museum and Nature Centre, Lemmenjoki national park	429 €

Thus, the developing tour has no analogues on the Russian market. In contrast to existing offers, it lasts less time but intended to visit more tourists' points of interest. Moreover, the tour is offered by a more competitive price what is possible due to the bigger group size.

In the Finnish market photography tours to different destinations in Finland are offered by several providers, for example, by International Photo Centre and Finnature Ltd. International Photo Centre has a 5 day photography tour around Helsinki and Turku region guided by David H. Wells (commercial photographer). Finnature Ltd. offers tailor-planned wildlife photography tours mainly to the North of Finland. Tours

are guided by professional photographers Jari Peltomäki and Olli Lamminsalo. However, the above mentioned tours are not promoted in the Russian market, thus they cannot be considered as crucial competitors.

5.3 Product goals and objectives

The main goal of the developed product is to offer a new tourism product to Russian customers interested in travelling and photography. Additionally, as it was mentioned before, the product promotes Finnish Lapland (particularly Inari) as destination and attracts more customers there during the low season.

To reach these goals the following objectives are defined:

- to plan the tour itinerary
- to arrange accommodation, transfers, entertainment package for the tour
- to develop the e-marketing plan for the product
- to calculate the estimated product budget

5.4 Product levels

The developing product contains three interrelated levels: core product, formal product and augmented product.

The core product is the photography activities in Finnish Lapland. This is the dominant benefit that the tour participants will be provided. During all the journeys customer will be given enough time for taking pictures as well as offered professional photographer advices. Thus, the main satisfaction that customers gain after the tour is closely connected to photography experience and represents the core level of the product.

The formal product, which makes the product idea come to the market, is the trip to Finnish Lapland. The trip includes the visit to the Inari village, the Siida nature centre, and the Inari lake cruise as well as the visit to the Lemmenjoki national park. All the

excursions are guided. Therefore, the photography tour gives an all-round presentation about Lapland's nature, traditions and ways of living. The formal product also includes such supporting services as accommodation in Lapland and transfers to/from the hotel.

Augmented product which gives the additional value to the tour is customers' interaction with the professional photographer who was born in Lapland and has been living there for a long time. He like no other knows the most beautiful and advantageous places around Inari from the photographer's point of view. Moreover, he might share his own experience of Lapland's photography as well as tell interesting stories about life in the north.

5.5 Components of the product

5.5.1 Destination attractions and environment

Within the destination there are components of the product which determine a lot customers' travel experience. The matter is destination attractions and environment. In the case of the photography tour, the main attractions are the natural and cultural attractions. Natural attractions include wild Lappish nature - forests, lakes, rivers, as well as animal world. Cultural attractions is indigenous Sámi culture - folklore, clothing, way of life of local people. These attractions form the unique Lappish environment which attracts tourists.

5.5.2 Destination facilities and services

From the point of view of infrastructure, Lapland is the rapidly grown destination with plenty of facilities. In the Saariselkä resort there are all kinds of facilities necessary for tourists: different accommodation facilities (hotels, apartments, holiday villages, guesthouses, etc.), food facilities (from fast food to fine-dining restaurants), sport and adventure facilities (mountain and cross-country skiing, snowmobiling, reindeer safaris, etc.), transports (taxis, car rental, ski buses, ski lifts). In addition there are different shops, equipment rent, information services.

5.5.3 Accessibility of the destination

The easiest and fastest way to reach Inari is by plane, as there is an international airport in Ivalo. It is also possible to use trains and buses because public transport network is widely developed everywhere in Finland.

However, accessibility of the destination can be seen as the product's weakness due to the fact that there are no direct flights to Inari from Russia. Because of this, it was decided not to include transportation to the destination in the package. So, tourists are given the possibility to choose which kind of transportation they prefer, and if needed Fintur will arrange the transportation as well.

5.5.4 Images of the destination

The Lapland is positioning itself as something above ordinary. At the same time, nature takes a crucial role in the destination's image. Uniqueness and individuality, magic and originality are usually associated with Lapland. Although, Russian tourists are one of the main Lapland's foreign visitors, this destination is reputed quite extraordinary tourist place especially beyond the winter season. Thus, this can be used as a strong factor, as customers tend to appreciate unusual destinations.

5.5.5 Price to the consumer

The product price to the customer consists of three main parts:

- accommodation price (including half-board);
- transfers price;
- sightseeing price.

The price doesn't include transportation expenses because customers are given the opportunity to choose the way they get to the destination (by plane, by train, etc).

6 Photography tour product development process

For developing a photography tour Kotler's new-product development theory will be adapted, though some changes of the original process are made taking in consideration Fintur's opportunities.

6.1 Idea generation and screening

The main source for possible new-product ideas was Fintur's internal sources that are employees and company's director. About ten ideas were generated and then this number was reduced to three. These ideas (including the photography tour) were considered as the most fortunate and profitable for the company.

6.2 Concept development and testing

After the Fintur management has examined the new-product idea, a small explanatory research was conducted in order to test the concept. First of all, during the research, the database of photography schools in Moscow and Saint-Petersburg was formed, and the schools' activity was analysed. It turned out that many schools organise from time to time the photography tours to different destinations. So, these schools were contacted and given a small presentation of the photography tour concept. It was found out, that they are interested in the possible cooperation and organization of photography tours to Finland.

Thus, the information, received from the research, helped to adjust and specify the new product concept. For instance, based on respondents' answers, Lapland was determined as the most interesting destination for potential customers.

6.3 Marketing strategy development

6.3.1 Target market

The target market is younger and middle-age, well-educated, moderate- to high-income persons, seeking new experiences from their hobbies (travelling or/and photography).

First of all, they are nature photography lovers with different photography skills (from the elementary to high level of experience). The target audience also involves people interesting in Finnish nature and culture and enjoying taking pictures.

6.3.2 Product positioning and differentiation

Photography tour to Inari positions itself as a new group tourism product for Russian customers, interested in nature and culture photography. Unlike other similar offers, which are concentrated on photography studies, the tour represents, first of all, a tourist travel experience. Photography instructions are given in a casual and fun manner, so they are not perceived as lessons. At the same time, the tour provides real educational tools to make good pictures. Thus, the main differentiation of the photography tour is its customization specifically for tourists being keen on travel photography. Also the product is differentiated from others in that it gives an opportunity to meet the nature as well as the culture of the destination.

6.3.3 Strategic goals

The company will aim to sell at least 5 tours (10 persons each) during the first season. In the second year, the company will plan for sales of 8-10 tours. The tour price is 429 €. The price will be raised in the second and third seasons if the market situation permits. The e-marketing budget for the first campaign is 720 €. Each year the budget will be raised by at least 10-15%.

6.3.4 Product distribution

The product will be distributed mainly through the company's web-page. Reservations will be possible via e-mail, telephone and later via the company's online reservation system. Another distribution channels will be photography schools as well as travel agencies located in Moscow and Saint-Petersburg, who are Fintur's business partners.

6.4 Photography tour development

The photography tour is organised in the Inari region of Finnish Lapland and lasts for four days/three nights. The tour is intended for beginners as well as for experienced photographers. Tour participants are accommodated in the Korpikartano hotel, situated 35 km from Inari village.

The first day of the tour doesn't include any special program. Tourists arrive to the hotel and spend the evening in the hotel's surroundings. They have the possibility, for example, to go on a hike, to take pictures of the Korpikartano neighbourhood or experience the Finnish sauna.

During the second day of the tour tourists visit the Inari village, the Siida museum as well as have a cruise on Inari lake. The day program starts at 10 a.m. and takes about 7 hours, including the lunch and the time for taking pictures. In the evening tourists are suggested to take pictures of the sunset on the lake Menesjärvi.

In the third day tourists go to the Lemmenjoki national park. The trip is carried out by boat, but any special skills are needed. During the trip tourists also visit the Ravadas waterfall. The day program starts at 9:30 a.m. and lasts for about 6-7 hours, including the time for taking pictures. In the evening, like in the second day, tourists are suggested to take pictures of the Lappish sunset in the hotel surroundings.

In the morning of the fourth day tourists may take pictures of the daybreak on the lake Menesjärvi. Then they are transferred to the airport.

The photography tour is planned for the early autumn season. This period is called «ruska-aika» - autumn leaf colour. This is the most picturesque time in Lapland, and photographers appreciate it a lot. However, depending on the customers demand, the tour can be organised during summer season as well.

6.5 Commercialization

The tour can be launched already in the late August 2013. The marketing campaign will be started in May 2013. Usually Fintur Ltd. starts selling its autumn products during the spring, so the time of product commercialization coordinates with the company's timeline.

7 E-marketing plan

7.1 Objectives

The main objectives of the marketing campaign are:

- to build awareness and loyalty of the product among potential customers
- to build an image of the product as an new way to meet Finland and develop photography skills
- to generate demand for the product and get customers.

7.2 Target market

The marketing campaign is targeted towards Russian customers, living in Moscow and Saint-Petersburg. The target audience includes people interested in photography with different photography skills (men and women) of 20-45 years old, who:

- have medium or high level of income;
- are interested in nature and culture photography;
- are interested in visiting Lapland.

Customers will be mainly (but not necessarily) involved in cooperation with photography schools in Moscow and Saint-Petersburg).

7.3 E-marketing methods

In order to capture the target market attention it was decided to use all e-marketing methods defined by Kotler, namely web-site creation, online advertisement, social media marketing and e-mails.

At the moment the web-site of the company is being renovating. The company has allocated a certain amount of resources for professional website design and promotion. The website will include the photography tour online profile in order to get customers

involved (images, tour itinerary, destination and sightseeing description, prices). Later will be also added tourists' reviews about experiences they got. Payment and delivery conditions will also be specified.

Online advertisement will be implemented using contextual advertisement, display advertisement as well as online classifieds. Contextual advertisement will be given through Google Adwords and Yandex Direct systems. At that the most part of resources will go to Yandex Direct because Yandex searching engine is more popular among Russian customers than Google. Display advertisement will be ordered also from Yandex.

The information about the photography tour will be posted in online classifieds related to tourism themes and available in Russian web space. Examples of these classifieds are As-travel.ru, Turdoska.ru, Turclub.ru.

Social media marketing will be implemented via Facebook and Vkontakte (vk.com is a Russian social network). In Facebook a fan-page will be created, but the main forces will be assigned to Vk.com. There a product community will be created and promoted using Vk-advertisement services. The idea is to attract as much users as possible and inform the target audience about the product.

Before the first launching of the product e-mail advertisement will be sent out to photography schools located in Moscow, Saint-Petersburg as well as in Petrozavodsk. Later customers' mailing list will be formed, and customers can get promotional materials related to the upcoming tours via e-mails.

7.4 E-marketing budget

The following budget is calculated for the first month of the product's marketing campaign. Expenses for the web-site are not included in the marketing budget as it is being renovating independently of the photography tour development.

Contextual advertisements will be created using Google Adwords and Yandex Direct services. In both cases cost per click strategy will be implemented. The approximate budget for the first month is 50 € for Google and 100 € for Yandex.

The media area for the display advertisement will be Yandex Photos. There the banner (size 728x90 pixels) will be published. The price per 1000 impressions is 3 €, thus 500 € will provide for about 167 000 impressions.

In the current e-marketing campaign only free online classifieds will be considered, so it doesn't need any financial resources.

As it was mentioned above, social media marketing is planned mainly for the Vk.com. In the beginning of the campaign the advert will be based on the cost per impression strategy because it gives the possibility to inform the target audience about the product and to create a demand. Later the cost per click strategy will be implemented. Targeting will be based on the demographic characteristics (age and location) and people's interests (photography and travelling). Therefore, the target audience of the product in Vk.com is 313 906 persons, and the recommended cost per 1000 impressions is about 0,225 €. So, for the initial period approximately 70 € will be enough to cover the target audience.

The total marketing budget for the first month is presented in the table 2.

Table 2. E-marketing budget

Method	Price
Web-site	0 €
Google Adwords	50 €
Yandex Direct	100 €
Yandex display advertisement	500 €
Online classifieds	0 €
Facebook fan-page	0 €
Vk.com promotion	70 €
Total	720 €

In the following month resources for e-marketing will be allocated according to the product demand and e-marketing methods' efficiency.

8 Estimated expenses and revenues

The estimated expenditure and revenue are calculated assuming the group size of 10 persons. Gross profit margin is intended to be 30% (table 3).

Table 3. Product expenses and revenue

Service	Expenses/ pers.	Expenses/ group	Revenue/ pers.	Revenue/ group	Gross profit/ group
Transfers	24 €	240 €	31,2 €	312 €	72 €
Accommodation DBL/HB 3 nights	186 €	1860 €	241,8 €	2418 €	558 €
Siida museum, guide services, lake cruise	65 €	650 €	84,5 €	845 €	195 €
National park	55 €	550 €	71,5 €	715 €	165 €
Total	330 €	3300 €	429 €	4290 €	990 €

Thus, the gross profit of the product is 990 €. Accordingly, the net profit is 795,2 € (assuming that the income tax is 24,5%).

The minimum number of products sold during one season is 5 group of 10 persons. Consequently, the final gross profit is 4950 € and the net profit is 3976 €.

The cost of in e-marketing are repaid when the first tour of 10 persons is sold.

9 Conclusion

During the process of the thesis writing the theoretical aspects of nature-based tourism products and the new product development were addressed. Nature-based tourism is a complex field of tourism industry which products have to be understood in order to develop a successful market offer. That is why different models for nature-based tourism products were considered in the thesis, and based on it the new product development process was worked out.

Thus, the main goal of this thesis was to create a new product for Fintur Ltd. The photography tour is the customized group tour to Inari, intended for people keen on photography. The concept of the tour meets the company's needs and requirements, particularly in case of target audience and financial affairs. Through the process of thesis writing the photography tour was defined as hedonistic type of nature-based tours. The product was described using Middleton's model for tourism products. The product development process is based on Kotler's approach for new product creation. However, the model was adapted according to Fintur's current purposes. The business analysis and test marketing steps were skipped. The second main part of the thesis is the e-marketing plan creation. The plan is designed mostly in order to generate demand for the new product. Finally, the expected product revenues and expenses were calculated.

The distinguishing feature of the created tour is that it gives tourists the possibility to experience the destination of Lapland, to meet its nature and culture in a new way. The market analysis has shown that there are quite few offers of photography tours around Finland both in the domestic and Russian markets. That is why the idea of the tour has the potential for further development and market capturing.

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Attachments

Attachment 1: Production form

Name of the tour:	Photography tour to Inari
Tour description:	The group photography tour to Inari during the season of autumn leaf colour , intended for photography lovers with different photography skills.
Time period	August - September 2013
Length	4 days/3 nights
Number of guest	10 persons
Language	Russian, other languages on request
Price	429 Euro
Price includes	accommodation (including half-board), transfers and sightseeing according to the itinerary.
Commission to agents	5%
Additional information	Camera with manual setting or a professional camera is necessary for tour participation
Cancellations	<p>Cancellations are made free of charge 30 days before the tour starts. If the booking is cancelled 7-29 days prior to the arrival, the cancellation fee is 50% of the total price.</p> <p>Cancellations made less than 7 days before the starting date, are not refundable.</p>

Attachment 2. Photography tour information and itinerary

	Activities
Day 1	Arrival at Ivalo airport. Transfer to the Korpikartano hotel. Dinner, evening sauna, free time.
Day 2	Visit to the Inari village Siida Museum and Nature Centre, cruise on Inari lake
Day 3	Visit to the Lemmenjoki national park
Day 4	Free time. Transfer to the airport

Day 1

The group arrives at Ivalo airport, Inari region. Transfer to the hotel. Free time, dinner in the hotel, evening sauna.

Day 2

Visit to the Inari village Siida Museum and Nature Centre, cruise on Inari lake

10:00 Transfer to the Inari village. Guided tour to the Siida museum. Visit to the Nature Centre. Time for taking pictures.

13:00 Cruise on Inari village, including the Ukko island - the sacred island of Sámi people.

16:30 Transfer to the hotel.

In the evening - photography in the hotel surroundings

Day 3

Visit to the Lemmenjoki national park

9:30 Transfers to the place of starting the trip. The trip by boat to the Lemmenjoki national park, including the visit the Ravadas waterfall. Time for photography.

14:30 Transfer to the hotel

In the evening - photography in the hotel surroundings

Day 4

In the morning - daybreak photography on the lake Menesjärvi. Transfer to the airport.